### BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20278-0001

LARGE-SIZE FIRST-CLASS MAIL PRESORT POSTCARD

Docket No. MC2021-104

# NOTICE OF THE UNITED STATES POSTAL SERVICE OF UPDATE TO THE MAXIMUM SIZE LIMIT FOR PRESORTED FIRST-CLASS MAIL POSTCARDS (June 23, 2021)

Pursuant to 39 C.F.R. § 3040.211, the Postal Service furnishes notice of a change to the size limitations for presorted First-Class Mail postcards in section 1110 in the Market Dominant Product List in the Mail Classification Schedule (MCS). The change would result in the maximum size limit for FCM Postcards being 9 inches length and 6 inches height, in lieu of the current limits of 6 inches length and 4 ¼ inches height. The Postal Service plans to implement the change on August 29, 2021, concurrent with the new prices set forth in Docket No. R2021-2.

Section 3682 of title 39 states "The Postal Service may establish size and weight limitations for mail matter in the market-dominant category of mail consistent with regulations the Postal Regulatory Commission may prescribe under section 3622." Section 3040.211(a) of 39 C.F.R. states that, "[t]he Postal Service shall inform the Commission of updates to size and weight limitations for market dominant mail matter by filing notice with the Commission 45 days prior to the effective date of the proposed update." In accordance with 39 C.F.R. § 3040.311(a), the Postal Service is furnishing notice of this change to size and weight limitations for presorted FCM postcards. In

<sup>&</sup>lt;sup>1</sup> 39 U.S.C. § 3682.

addition, in accordance with 39 C.F.R. § 3040.211(a)(1), this notice includes, in Attachment 1, a copy of the applicable parts of section 1110 Presorted Letters/Postcards of the MCS, with the proposed updates in legislative format.

This change does not implicate 39 U.S.C. § 3642, as Postal Service customers will continue to enjoy the same options for sending postcards when this change is enacted. The change will simply result in an additional option for customers to send qualifying mail between the current size and the proposed size.

Below, the Postal Service explains the likely impact of proposed update on users of the product, as well as how the proposed update is in accordance with the policies and applicable criteria of chapter 36 of title 39 of the United States Code.<sup>2</sup>

#### I. Impact on Users and Competitors

The Postal Service proposes to update the maximum size limit for presorted FCM postcards, so that it would be 9 inches length by 6 inches height, instead of the current 6 inches length by 4 ¼ inches height. The increased size limit resulted from Postal Service outreach directed at working with the mailing industry to increase the value of USPS offerings. Presorted First-Class Mail postcards are predominantly used for personalized messages from commercial mailers, but the limited space for text on these mailpieces limits their potential for promotional usage. This change would better facilitate the use of presorted postcards for combined promotional and non-promotional content, thereby enhancing the postcards' value to commercial mailers.

The larger postcard size would also create new opportunities for mailers to include new technologies (e.g., QR codes, textures) on their pieces, thereby enhancing

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<sup>&</sup>lt;sup>2</sup> 39 C.F.R. § 3040.211(a)(2) and (3).

their effectiveness and elevating the mail moment. In this regard, the size change reinforces the Postal Service's Docket No. R2021-2 promotional offerings that are designed to enhance the overall appeal of mail by combining physical mailpieces with digital technology.

Commercial mailers can utilize the additional space to defray some of the cost of mailing presorted postcards. The Postal Service's outreach to mailers indicated postcards are an effective engagement and information tool, and the larger presorted postcard size would allow commercial mailers to capitalize on recipients' attention for promotional and informational purposes. For example, companies that use postcards as payment or appointment reminders could pair promotional information with their mailings to offset costs. Given that these dynamics generally do not pertain to postcards sent by individuals and smaller mailers, a larger maximum size for single-piece postcards would be unlikely to provide the same benefits; the Postal Service therefore decided against updating the maximum size for single-piece postcards.

The Postal Service's outreach to commercial mailers informed these conclusions and indicated that increasing the maximum postcard size would encourage new uses for FCM Postcards and increase the overall utility of postcards to mailers. Importantly, this change would only expand the options available to commercial mailers; it would not restrict current options in any manner, as current customers could either choose to send the larger First-Class Mail postcard or continue to send their current size postcards.

Finally, this change is expected to have no more than a negligible impact on Postal Service competitors.

#### II. Applicable Criteria of Chapter 36 of Title 39

This change conforms to the policies and criteria of chapter 36 of title 39 of the United States Code. With respect to 39 U.S.C. § 3622 specifically, the Postal Service is not seeking to assess a price cap effect from any First-Class Mail volume that may migrate into presorted postcards and thereby see a rate decrease. In addition, no volume would see a rate increase because all existing presorted postcard volume will continue to be eligible. For the same reason – i.e., the lack of any volume migration out of presorted postcards – this change does not implicate section 3642. Based on its prior outreach to commercial mailers, the Postal Service expects that customers will welcome this change.

#### III. Conclusion

The Postal Service submits that the attached change to the MCS, so that the maximum size limit for FCM Postcards would be 9 inches height by 6 inches length, is consistent with the requirements set forth under 39 C.F.R. § 3040.211 and chapter 36 of title 39 of the United States Code. The Postal Service requests that the Commission complete its review within the 45-day regulatory timeline to facilitate the Postal Service's timely finalization of programming changes in advance of the August 29, 2021 implementation.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

By its attorneys:

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# **ATTACHMENT 1**

## **REVISIONS TO MAIL CLASSIFICATION SCHEDULE**

#### 1110 Presorted Letters/Postcards

#### 1110.1 Size and Weight Limitations

#### Letters

	Length	Height	Thickness	Weight
Minimum	5 inches	3.5 inches	0.007 inch	none
Maximum	11.5 inches	6.125 inches	0.25 inch	3.5 ounces

#### Postcards

	Length	Height	Thickness	Weight
Minimum	5 inches	3.5 inches	0.007 inch	none
Maximum	6 <u>9</u> inches	4.25 6 inches	0.016 inch	not applicable

#### 1110.2 Minimum Volume Requirements

	Minimum Volume Requirements	
Letters	500 pieces per mailing	
Postcards	500 pieces per mailing	

#### 1110.3 Price Categories

The following price categories are available for the product specified in this section:

- Automation Letters
  - o 5-Digit
  - o AADC
  - Mixed AADC
- Nonautomation Presorted Machinable Letters
- Nonmachinable Letters Either have an aspect ratio that does not fall between 1 to 1.3 and 1 to 2.5 inclusive or do not meet other machinability requirements